

Summary

House 2005-07 Pension Budget

Changes (GF-S savings for 2005-07 only)

- SHB 1044: Delay recognition of cost associated with future gain-sharing liability until 2007-2009 (saves \$147 million).
- SHB 1044: Continue to suspend payments toward the PERS 1 and TRS 1 unfunded liability (saves \$173 million).
- SHB 1044: Phase-in projected contribution rate increases over 2005-2009 (saves \$1 million).
- SHB 1044: During the 2005 interim, the Select Committee on Pension Policy shall study options available to the legislature for addressing the liability associated with future gain-sharing benefits and report back to the fiscal committees of the legislature no later than December 15, 2005.

Employer Contribution Rates*

System	Current Rates	Current Policy 2005-07**	SHB 1044 2005-06 / 2006-07
PERS	1.19%	5.73%	2.50% / 3.50%
TRS	1.18%	6.74%	2.73% / 3.25%
SERS	0.85%	7.56%	2.75% / 3.75%

* Excludes the administrative expense rate.

** Includes the cost of recognizing future gain-sharing benefits.

Plan 2 Member Contribution Rates

System	Current Rates	Current Policy 2005-07	SHB 1044 2005-06 / 2006-07
PERS	1.18%	3.38%	2.50% / 3.50%
TRS	0.87%	2.48%	2.48% / 3.00%
SERS	0.85%	3.51%	2.75% / 3.75%

Projected Employer Pension Contributions (Preliminary Estimate; GF-S in millions)*

Period	Current Policy	Current Policy without Gain-sharing	SHB 1044
2003-05	\$161	\$161	N/A
2005-07	\$684	\$538	\$364
2007-09	\$1,067	\$889	\$1,128
2009-11	\$1,394	\$1,194	\$1,460

*Includes preliminary estimates for LEOFF, WSP and PSERS.

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